

EXHIBIT

G

Schedule C
(Form 1040)Department of the Treasury
Internal Revenue ServiceProfit or Loss From Business
(Sole Proprietorship)Partnerships, joint ventures, etc., must file Form 1065.
Attach to Form 1040 or Form 1041. See instructions for Schedule C (Form 1040).

OMB No. 1545-0047

1993

09

Name of proprietor

CHARLES J THURSTON

Social Security Number (SSN)

8426

A Principal business or profession, including product or service

SALES, MANAGEMENT, MARKETING, CONSULTING SERVICE

B Enter principal
business code

7286

C Business name, if no separate business name, leave blank.

THURSTON S.M. & M. CONSULTING

D Employer ID no. (EIN), if any

00-0000000

E Business addr. (include suite or room no.,
city, town or post office, state, & ZIP code)427 OAK LANE
KINGSTON

OH 45644

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) _____G Method(s) used to
value closing inventory: (1) ☐ Cost (2) ☐ Lower of cost
or market (3) ☐ Other (attach
explanation) (4) ☐ Does not apply (if
checked, skip line H)

Yes No

H Was there any change in determining quantities, costs, or valuations between opening and closing inventory?
If 'Yes,' attach explanation

I Did you 'materially participate' in the operation of this business during 1993? If 'No,' see instructions for limitations on losses.

X

J If you started or acquired this business during 1993, check here _____

Part I Income

1 Gross receipts or sales. Caution: If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here	1	188,823.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	188,823.
4 Cost of goods sold (from line 40 on page 2)	4	
5 Gross profit. Subtract line 4 from line 3	5	188,823.
6 Other income, including federal and state gasoline or fuel tax credit or refund	6	
7 Gross income. Add lines 5 and 6	7	188,823.

Part II Expenses. Caution: Do not enter expenses for business use of your home on lines 8 - 27. Instead, see line 30.

8 Advertising	8		19 Pension and profit-sharing plans	19	
9 Bad debts from sales or services	9		20 Rent or lease:	20 a	
10 Car and truck expenses	10	8274 / 8,274.	a Vehicles, machinery, and equipment	20 b	
11 Commissions and fees	11		b Other business property	21	26401 / 11,994.
12 Depreciation	12		21 Repairs and maintenance	22	
13 Depreciation and section 179 expense deduction (not included in Part III)	13	✓ 2,534.	22 Supplies (not included in Part III)	23	1107 / 1,007.
14 Employee benefit programs (other than on line 19)	14		23 Taxes and licenses	24	
15 Insurance (other than health)	15	✓ 235.	24 Travel, meals, and entertainment:	24 a	
16 Interest:	16		a Travel	24 b	
a Mortgage (paid to banks, etc)	16 a	12304 / 12,373.	b Meals and entertainment	24 c	
b Other	16 b	5137 / 3,142.	c Enter 20% of line 24b subject to limitations	24 d	
17 Legal and professional services	17		d Subtract line 24c from line 24b	25	2631 / 2,743.
18 Office expense	18	7886 / 9,311.	25 Utilities	26	
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns	28		26 Wages (less jobs credit)	27	130,156.
29 Tentative profit (loss). Subtract line 28 from line 7	29		27 Other expenses (from line 46 on page 2)	28	181,769.
30 Expenses for business use of your home. Attach Form 8829	30			29	7,054.

31 Net profit or (loss). Subtract line 30 from line 29.

• If a profit, enter on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Fiduciaries, enter on Form 1041, line 3

• If a loss, you must go on to line 32

32 If you have a loss, check the box that describes your investment in this activity.

• If you checked 32a, enter the loss on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Fiduciaries, enter on Form 1041, line 3

32 a All investment is at risk.

• If you checked 32b, you must attach Form 6198

32 b Some investment is not at risk.

D181 For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 1993

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Part III Cost of Goods Sold

Audited

33	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	33	
34	Purchases less cost of items withdrawn for personal use	34	
35	Cost of labor. Do not include salary paid to yourself	35	
36	Materials and supplies	36	
37	Other costs	37	
38	Add lines 33 through 37	38	
39	Inventory at end of year	39	
40	Cost of goods sold. Subtract line 39 from line 38. Enter the result here and on page 1, line 4	40	

Part IV Information on Your Vehicle. Complete this part only if you are claiming car or truck expenses on line 10 and are not required to file Form 4562 for this business.

- 41 When did you place your vehicle in service for business purposes? (month, day, year) ▶ _____
- 42 Of the total number of miles you drove your vehicle during 1993, enter the number of miles you used your vehicle for:
- a Business _____ b Commuting _____ c Other _____
- 43 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No
- 44 Was your vehicle available for use during off-duty hours? ☐ Yes ☐ No
- 45 a Do you have evidence to support your deduction? ☐ Yes ☐ No
- b If "Yes," is the evidence written? ☐ Yes ☐ No

Part V Other Expenses. List below business expenses not included on lines 8 - 26 or line 30.

JANITORIAL SERVICE	✓ 2253 / 1,598.
TELEPHONE	✓ 3628 / 2,703.
OFFICE MANAGEMENT FEE - OUTSOURCED- REPORTED TOSCH. C-5	✓ 31200 / 31,200.
MAINTENANCE EXPENSE	✓ 7368 / 3,738.
THURSTON R & D BUS. SERVICE EXP. REPORTED TO SCH. C-3	✓ 18,823.
THURSTON PUBLICATION BUS. EXPENSE REPORTED TO SCH. C-4	✓ 9,442.
THURSTON PHYSICIAN'S SERVICE BUS. EXPENSE REPORTED TO SCH. C-1	✓ 62,652.
46 Total other expenses. Enter here and on page 1, line 27	46 130,156.

SCHEDULE C
(Form 1040)

Profit or Loss From Business

(Sole Proprietorship)

OMB No. 1545-0046

1994

Attachment
Sequence No 09Department of Treasury
Internal Rev. Service (99)

Partnerships, joint ventures, etc., must file Form 1065.

Attach to Form 1040 or Form 1041.

See instructions for Schedule C (Form 1040).

Name of proprietor CHARLES J THURSTON

Social security number (SSN)

8426

A Principal business or profession, including product or service (see page C-1)
SALES, MGMT. MARKETING SERVICEB Enter principal busn. code
7286C Business name. If no separate business name, leave blank.
THURSTONS' S. M. & M CONSULTINGD Employer ID no. (EIN), if any
N/AE Business address.
City, State, ZIP 427 OAK LANE KINGSTON OH 9217F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶G Method(s) used to value closing inventory: (1) ☐ Cost (2) ☐ Lower of cost or market (3) ☐ Other (attach explanation) (4) ☒ Does not apply (if checked, skip line H)

Yes No

H Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation

X

I Did you "materially participate" in the operation of this business during 1994? If "No," see page C-2 for limit on losses

X

J If you started or acquired this business during 1994, check here

Part I Income

1	Gross receipts or sales. Caution: If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see page C-2 and check here	1	185,314.
2	Returns and allowances	2	0.
3	Subtract line 2 from line 1	3	185,314.
4	Cost of goods sold (from line 40 on page 2)	4	0.
5	Gross profit. Subtract line 4 from line 3	5	185,314.
6	Other income, including Federal and state gasoline or fuel tax credit or refund (see page C-2)	6	0.
7	Gross income. Add lines 5 and 6	7	185,314.

Part II Expenses. Enter expenses for business use of your home only on line 30.

8	Advertising	8	0.	19	Pension & profit-sharing plans	19	0.
9	Bad debts from sales or services (see page C-3)	9	0.	20	Rent or lease (see page C-4):	20a	0.
10	Car and truck expenses (see page C-3)	10	9,672.		a Vehicles, machinery, & equip.	20b	0.
11	Commissions and fees	11	0.	21	Repairs and maintenance	21	5346 / 4,100.
12	Depletion	12	0.	22	Supplies (not included in Part III)	22	14478 / 12,560.
13	Depreciation and section 179 expense deduction (not included in Part III) (see page C-3)	13	2817 / 2,611.	23	Taxes and licenses	23	971 / 950.
14	Employee benefit programs (other than on line 19)	14	0.	24	Travel, meals, & entertainment:	24a	0.
15	Insurance (other than health)	15	268.		a Travel	24a	0.
16	Interest:				b Meals and entertainment		0.
a	Mortgage (paid to banks, etc.)	16a	12,098.		c Enter 50% of line 24b subject to limitations (see pg. C-4)		0.
b	Other	16b	0.		d Subtract line 24c from line 24b	24d	0.
17	Legal and professional services	17	0.	25	Utilities	25	1502 / 1,374.
18	Office expense	18	2676 / 0.	26	Wages (less employment credits)	26	0.
27	Other expenses (from line 46 on page 2)	27	127,629.				

28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns

29 Tentative profit (loss). Subtract line 28 from line 7

30 Expenses for business use of your home. Attach Form 8829

31 Net profit or (loss). Subtract line 30 from line 29.

- If a profit, enter on Form 1040, line 12, and ALSO on Schedule SE, line 2 (statutory employees, see page C-5). Estates and trusts, enter on Form 1041, line 3.

- If a loss, you MUST go on to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see page C-5).

- If you checked 32a, enter the loss on Form 1040, line 12, and ALSO on Schedule SE, line 2 (statutory employees, see page C-5). Estates and trusts, enter on Form 1041, line 3.

- If you checked 32b, you MUST attach Form 6198.

32a ☐ All investment is at risk32b ☐ Some investment is not at risk

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 1994

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Corrected copy C-2

Audited

Part III Cost of Goods Sold (see page C-5)

33	Inventory at beginning of year. If different from last year's closing inventory, attach explanation.	33	0.
34	Purchases less cost of items withdrawn for personal use	34	0.
35	Cost of labor. Do not include salary paid to yourself.	35	0.
36	Materials and supplies	36	0.
37	Other costs	37	0.
38	Add lines 33 through 37	38	0.
39	Inventory at end of year	39	0.
40	Cost of goods sold. Subtract line 39 from line 38. Enter the result here and on page 1, line 4	40	0.

Part IV Information on Your Vehicle. Complete this part **ONLY** if you are claiming car or truck expenses on line 10 and are not required to file Form 4562 for this business. See the instructions for line 13 on page C-3 to find out if you must file.

- 41 When did you place your vehicle in service for business purposes? (month, day, year) ► _____
- 42 Of the total number of miles you drove your vehicle during 1994, enter the number of miles you used your vehicle for:
- a Business _____ 0. b Commuting _____ 0. c Other _____ 0.
- 43 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No
- 44 Was your vehicle available for use during off-duty hours? ☐ Yes ☐ No
- 45a Do you have evidence to support your deduction? ☐ Yes ☐ No
- b If "Yes," is the evidence written? ☐ Yes ☐ No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

Amortization expense	0.
FUEL FOR MAINTENCE RUNWAY	✓ 3020 / 2,534.
JANITORIAL SERVICE OFFICE	✓ 1,598.
CHILICOTHE TELEPHONE CO.	✓ 3,346.
OFFICE MANAGEMENT FEE- OUTSOURCE- TO SCH SP-C-1	✓ 31,200.
THURSTON R&D BUS. SERVICE EXP. REPORTED TO SCH. C-3	✓ 18,531.
THURSTON PUBLICATION BUS. EXP REPORTED TO SCH. C-4	✓ 9,266.
THURSTON PHYSIXCIAN SERVICE BUS. EXP. Reported To C-1	✓ 61,154.
	0.
	0.
	0.
	0.
	0.
	0.
	0.
	0.
	0.
	0.
	0.
46 Total other expenses. Enter here and on page 1, line 27	46 127,629.

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EXHIBIT H

EXHIBIT I

Internal Revenue Service
Area Director

Date: OCT 16 2002

Charles J. and Therese Ann Thurston
427 Oak Lane
Kingston, OH 45644

Department of the Treasury
550 Main Street, Room 7-511
Cincinnati, OH 45202

Taxpayer Identification Number:

8426

Form:

1040

Tax Period(s) Ended and Claim Amount:

December 31, 1993 \$23,601.00

Date Claim Received:

March 7, 2001

Person to Contact:

Mrs. J. Bridges

Contact Telephone Number:

(513) 263-4047

Employee Identification Number:

31-02683

Last Date to Respond to this Letter:

NOV 16 2002

Dear Mr. & Mrs. Thurston:

We have examined your claim and propose:

- ☐ Partial disallowance, as shown in the enclosed examination report. If you accept our findings, please sign and return the enclosed Form 2297, *Waiver Form*, and Form 3363, *Acceptance Form*.
- ☐ Full Disallowance, as shown in the enclosed examination report or at the end of this letter. If you accept our findings, please sign and return the enclosed Form 2297, *Waiver Form*, and Form 3363, *Acceptance Form*.
- ☒ Full disallowance with additional tax due, as shown in the enclosed examination report. If you accept our findings, please sign and return the enclosed Form 2297, *Waiver Form*, and the examination report.

Note: If your claim involves a joint return, both taxpayers must sign the form(s).

If you are a "C" Corporation filer, Section 6621(c) of the Internal Revenue Code provides for an interest rate 2% higher than the standard interest rate on deficiencies of \$100,000 or more.

If you don't agree with our findings, you may request a meeting or telephone conference with the supervisor of the person identified in the heading of this letter. If you still don't agree with our findings, we recommend that you request a conference with our Appeals Office. If you request a conference, we will forward your request to the Appeals Office and they will contact you to schedule an appointment.

If the proposed change to tax is:

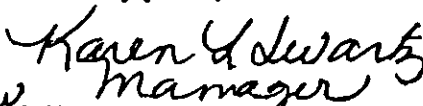
- \$25,000 or less for *each* reference tax period; you may send us a letter requesting Appeals consideration, indicating what you don't agree with and the reason why you don't agree.
- More than \$25,000 for any referenced tax period; you must submit a formal protest.

The requirements for filing a formal protest are explained in the enclosed Publication 3498, *The Examination Process*. Publication 3498 also include information on your *Rights as a Taxpayer* and the *IRS Collection Process*.

If you don't respond by the date shown in the heading of this letter, we will process your case based on the adjustments shown in the enclosed examination report or the explanations given at the end of this letter.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter. Thank you for your cooperation.

Sincerely yours,


for *Manager*
Jeffrey J. Basalla
Director, Compliance Area 6
Small Business/Self-Employed

Enclosures:

- ☒ Examination Report
Form 2297
- ☐ Form 3363
- Publication 3498
- Envelope

jlb

EXHIBIT J



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Washington, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

December 18, 2003

Joseph B. Mansour, CPA
7248 Basswood Drive
West Chester, OH 45069

RE: Charles J. & Therese A. Thurston
Form 1040 Tax Year 1993

Dear Mr. Mansour:

This letter is to advise you we will be closing the claim case regarding the 1993 return for your clients Charles and Therese Thurston with a full disallowance of the deductions claimed on the amended Form 1040X for tax year 1993. A review of the examination documentation provided and that provided at the manager's conference held on November 12, 2002 supports the IRS position for all issues addressed in our claim disallowance report dated October 1, 2002. A copy of this report and explanations of adjustments are enclosed for your reference. It remains our position that the filing of an amended return with separate Schedule C businesses was for the purpose of claiming deductions for commuting mileage, business use of the home, and other personal expenses that do not meet the criteria of ordinary, necessary business expenses of IRC Section 162.

You may contact me at (513) 263-4042 or write to me at: Internal Revenue Service; P.O. Box 476, Room 7511; Cincinnati, Ohio 45201; Attention: K. Swartz S:C:6:CIN2:2.

Sincerely,

A handwritten signature in cursive script that reads "Karen L. Swartz".

Karen L. Swartz
Group Manager #31-07747

Enclosures: Claim disallowance report
Publication 3498

cc: Charles J. Thurston
Therese Ann Thurston

EXHIBIT K

Form 872 (Rev. January 2001)	Department of the Treasury-Internal Revenue Service Consent to Extend the Time to Assess Tax	In reply refer to: S:C:A6:CIN2:2:JLB Taxpayer Identification Number [REDACTED]-8426
--	--	--

CHARLES J. THURSTON and THERESE ANN THURSTON
(Name(s))

taxpayer(s) of 427 Oak Lane, Kingston, Ohio 45644
(Number, Street, City or Town, State, ZIP Code)

and the Commissioner of Internal Revenue consent and agree to the following:

(1) The amount of any Federal Income tax due on any return(s) made by or
(Kind of tax)
for the above taxpayer(s) for the period(s) ended December 31, 1993

may be assessed at any time on or before December 31, 2004. However, if
(Expiration date)

a notice of deficiency in tax for any such period(s) is sent to the taxpayer(s) on or before that date, then the time for assessing the tax will be further extended by the number of days the assessment was previously prohibited, plus 60 days.


(2) The taxpayer(s) may file a claim for credit or refund and the Service may credit or refund the tax within 6 months after this agreement ends.

RECEIVED
INTERNAL REVENUE SERVICE

DEC 23 2003

SB/SE - FIELD COMPLIANCE
AREA 6, CINCINNATI TERRITORY 2
GROUP 1, CINCINNATI, OHIO

MAKING THIS CONSENT WILL NOT DEPRIVE THE TAXPAYER(S) OF ANY APPEAL RIGHTS TO WHICH THEY WOULD OTHERWISE BE ENTITLED.

YOUR SIGNATURE HERE	→	<u>CHARLES J. THURSTON</u>	(Date signed)
SPOUSE'S SIGNATURE	→	<u>THERESE ANN THURSTON</u>	(Date signed)
TAXPAYER'S REPRESENTATIVE			
SIGN HERE	→	<u>JOSEPH B. MANSOUR - CPA & POA</u>	<u>12-19-03</u> (Date signed)
CORPORATE NAME	→		
CORPORATE OFFICER(S) SIGN HERE	→		(Date signed)
	→		(Date signed)

INTERNAL REVENUE SERVICE SIGNATURE AND TITLE

Jeffrey J. Basalla

Director, Compliance Area 6, Small Business/Self-Employ

(Division Executive Name - see instructions)

(Division Executive Title - see instructions)

BY Michelle Davis Acting Manager for K. L. Swartz 12/30/03
(Authorized Official Signature and Title - see instructions) (Date signed)